

Request for City Council

For the

City of Ingleside, Texas

Subject: Approval of Budget Draft dated July 31, 2014, as revised, and Motion to Propose Tax Rate for FY2014/2015

For the Agenda of September 23, 2014

Summary Statement:

At the City Council meetings of August 12th and 26th, and September 9th, the budget draft dated July 31, 2014 was reviewed and considered. Various changes were made to the proposed budget

At the Council meeting of September 9th, the following motion was adopted with all Council Members voting in favor:

“The City of Ingleside conducted public hearings on August 26, 2014 and September 9, 2014 on a proposal to set the tax rate for the City. The proposed tax rate does not exceed the effective tax rate. The City Council of the City of Ingleside is scheduled to vote on the proposed tax rate of \$.615 at a public meeting to be held on Tuesday, September 23, 2014 at City Hall, 2671 San Angelo, Ingleside TX 78362 at 6:30 p.m.”

It is recommended that the draft of the 2013-2014 operating budget, as revised, be adopted and the tax rate for 2013 be fixed at \$0.615000 on each \$100.00 worth of all property within the limits of the City of Ingleside.

Attachments:

- New Budget Cover Page as required by statute, Page 2
- Total General, Debt Service and Utility Fund Operating Budgets, Page 3
- Fund Summary, Page 4
- General, Debt Service and Utility Fund Expenditures, Page 5
- Recap of All Funds, Page 6

City of Ingleside

Fiscal Year 2014-2015

Budget Cover Page

This budget will raise less revenue from property taxes than last year's budget by an amount of \$-52,948, which is a -1.67 percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$40,585.

The members of the governing body voted on the budget as follows:
FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	2014-2015	2013-2014
Property Tax Rate:	\$0.615000/100	\$0.625000/100
Effective Tax Rate:	\$0.632934/100	\$0.562152/100
Effective Maintenance & Operations Tax Rate:	\$0.456883/100	\$0.442927/100
Rollback Tax Rate:	\$0.659454/100	\$0.661162/100
Debt Rate:	\$0.158930/100	\$0.175016/100

Total debt obligation for City of Ingleside secured by property taxes: \$5,079,746

TOTAL GENERAL, DS AND UTILITY OPERATING BUDGET

REVENUES

FUND:		2012-2013 Actual	2013-2014 Budget	2014-2015 Budget	Change
	Beginning Fund Balances - combined	2,747,127	3,070,603	\$ 2,774,830.93	
	Revenues General Fund - Including Transfers from UF	\$ 5,708,840	\$ 5,919,564	\$ 6,427,919	\$ 508,355
	DS Fund -- Collected I & S	\$ 535,364	\$ 818,579	\$ 829,288	\$ 10,710
	Utility Fund	0.0% \$ 4,472,085	\$ 4,185,253	\$ 3,739,214	\$ (446,039)
	TOTAL	\$ 10,716,290	\$ 10,923,396	\$ 10,996,421	

EXPENDITURES

FUND:		2012-2013 Actual	2013-2014 Budget	2014-2015 Budget	Change
	General Fund Operating Expenses	\$ 5,411,452	\$ 6,224,972	\$ 6,419,720	\$ 194,748
	Debt Service Fund	\$ 529,767	\$ 804,579	\$ 807,143	\$ 2,564
	Utility Expenditures - Including Transfers UF to GF	\$ 4,451,595	\$ 4,189,617	\$ 3,766,357	\$ (423,261)
	TOTAL	\$ 10,392,814	\$ 11,219,168	\$ 10,993,219	
	Net	\$ 323,476	\$ (295,772)	\$ 3,202	
	Ending Fund Balances - combined	\$ 3,070,603.26	\$ 2,774,830.93	\$ 2,778,032.56	
	<u>TAX RATE</u>	0.6800000	0.6250000	0.6150000	

FUND NAME		Operating Revenues	Operating Expenditures	Excess/ (Deficiency)	Other Sources (Transfers, etc)	Other Uses - Transfers, etc	Net	Beginning Balance (Proforma)	Ending Balance (Proforma)
10	General Fund	\$ 5,621,777	\$ 6,419,720	\$ (797,943)	\$ 806,142	\$ -	\$ 8,199	\$ 1,353,607	\$ 1,361,806
40	I & S Debt	\$ 829,288	\$ 807,143	\$ 22,145		\$ -	\$ 22,145	\$ 43,471	\$ 65,616
50	Utility Fund *	\$ 3,739,214	2,960,215	\$ 778,999	\$ -	\$ 806,142	\$ (27,143)	\$ 1,377,753	\$ 1,350,611
30	General Fund - Capital Improvement	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	Utility Fund - Capital Improvement	\$ -	-	\$ -			\$ -	\$ 1,594,142	\$ 1,594,142
21	Hotel Motel	\$ 175,250	\$ 121,400	\$ 53,850			\$ 53,850	\$ 490,799	\$ 544,649
23	IDC - 4B	\$ 142,098	\$ 136,353	\$ 5,745		\$ -	\$ 5,745	\$ 555,117	\$ 560,863
24	IDC - 4B Construction Fund	\$ -	-	\$ -			\$ -	\$ -	\$ -
25	General Fund Grants	\$ -	-	\$ -			\$ -	\$ -	\$ -
26	Home Grant	\$ 400,000	\$ 400,000	\$ -			\$ -	\$ 5,000	\$ 5,000
27	Safe Route Schools	\$ -	-	\$ -			\$ -	\$ -	\$ -
28	Street Maintenance	\$ 141,669	\$ 150,000	\$ (8,331)			\$ (8,331)	\$ 65,531	\$ 57,200
29	TX Capital Fund	\$ -	-	\$ -			\$ -	\$ -	\$ -
31	LRA	\$ -	-	\$ -		\$ -	\$ -	\$ -	\$ -
53	Utility Fund - RDA grant	\$ -	-	\$ -			\$ -	\$ -	\$ -
54	Utility Fund - Impact Fees	\$ 18,250	\$ -	\$ 18,250			\$ 18,250	\$ 159,195	\$ 177,445
55	Utility Fund - DEAAG Grant	\$ -	-	\$ -			\$ -	\$ -	\$ -
60	Asset Seizures & Forfeiture	\$ -	-	\$ -			\$ -	\$ 1,176	\$ 1,176
70	Self Funded Insurance	\$ -	-	\$ -		\$ -	\$ -	\$ -	\$ -
GRAND TOTALS		\$ 11,067,546	\$ 10,994,830	\$ 72,716	\$ 806,142	\$ 806,142	\$ 72,716	\$ 5,645,791	\$ 5,718,507

* Depreciation Expense is not reflected in budget.

GENERAL FUND IS AND UF EXPENDITURES

Department / Function	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-2015 BUDGET	2014 vs 15 Budget
General Administration						
501 Mayor & Council	\$ 13,100	\$ 13,841	\$ 25,994	\$ 25,425	\$ 25,425	\$ -
502 City Manager (General Fund)	\$ 82,963	\$ 86,140	\$ 90,865	\$ 95,275	\$ 99,110	\$ 3,835
503 City Secretary (General Fund)	\$ 101,335	\$ 101,582	\$ 97,498	\$ 112,530	\$ 112,719	\$ 189
504 Finance	\$ 169,342	\$ 171,213	\$ 191,535	\$ 192,064	\$ 201,536	\$ 9,472
505 City Attorney - Litigation	\$ -	\$ -	\$ 86,205	\$ 300,000	\$ 249,217	\$ (50,783)
506 Municipal Court	\$ 180,137	\$ 181,893	\$ 163,801	\$ 235,900	\$ 236,139	\$ 239
523 Economic Development	\$ 36,256	\$ 14,876	\$ 8,531	\$ 10,000	\$ 13,000	\$ 3,000
500 Non-Departmental	\$ 1,107,869	\$ 1,225,990	\$ 720,793	\$ 702,914	\$ 693,124	\$ (9,790)
541 IT					\$ 116,250	\$ 116,250
					\$ -	\$ -
Total General Administration	\$ 1,691,003	\$ 1,795,535	\$ 1,385,222	\$ 1,674,108	\$ 1,746,520	\$ 72,413
					\$ -	\$ -
Public Safety						
509 Police	\$ 1,360,805	\$ 1,459,544	\$ 1,548,066	\$ 1,740,674	\$ 1,879,446	\$ 138,772
515 Animal Control	\$ 117,086	\$ 123,160	\$ 124,787	\$ 139,765	\$ 137,737	\$ (2,027)
540 Emergency Management	\$ 10,774	\$ 4,727	\$ 19,437	\$ 10,048	\$ 12,420	\$ 2,372
508 Fire	\$ 180,945	\$ 173,786	\$ 176,026	\$ 237,255	\$ 229,965	\$ (7,290)
512 Building Inspection	\$ 134,249	\$ 135,370	\$ 146,616	\$ 160,298	\$ 156,448	\$ (3,850)
518 Code Enforcement	\$ 81,521	\$ 67,239	\$ 85,550	\$ 126,442	\$ 117,605	\$ (8,837)
524 GIS	\$ 14,440	\$ 1,635	\$ 3,064	\$ 14,100	\$ 13,900	\$ (200)
					\$ -	\$ -
Total Public Safety	\$ 1,899,821	\$ 1,965,461	\$ 2,103,546	\$ 2,428,582	\$ 2,547,522	\$ 118,941
					\$ -	\$ -
Public Works						
511 Streets	\$ 308,629	\$ 284,658	\$ 323,277	\$ 341,501	\$ 339,620	\$ (1,881)
514 Vector	\$ 799	\$ 5,645	\$ 2,754	\$ 10,200	\$ 6,450	\$ (3,750)
517 Solid Waste (BFI)	\$ 715,923	\$ 753,797	\$ 743,838	\$ 775,600	\$ 761,000	\$ (14,600)
513 Building & Drainage	\$ 204,206	\$ 224,003	\$ 227,330	\$ 268,145	\$ 279,160	\$ 11,015
					\$ -	\$ -
Total Public Works	\$ 1,229,558	\$ 1,268,104	\$ 1,297,199	\$ 1,395,446	\$ 1,386,230	\$ (9,216)
					\$ -	\$ -
Cultural and Recreational						
510 Parks	\$ 332,085	\$ 331,520	\$ 363,065	\$ 429,683	\$ 483,373	\$ 53,690
507 Library	\$ 208,229	\$ 234,888	\$ 234,855	\$ 258,602	\$ 218,708	\$ (39,894)
519 Senior Center	\$ 27,368	\$ 29,090	\$ 27,566	\$ 38,551	\$ 37,366	\$ (1,185)
					\$ -	\$ -
Total Cultural and Recreational	\$ 567,682	\$ 595,498	\$ 625,486	\$ 726,836	\$ 739,447	\$ 12,611
					\$ -	\$ -
GF - TOTAL EXPENDITURES	\$ 5,388,063	\$ 5,624,598	\$ 5,411,452	\$ 6,224,972	\$ 6,419,720	\$ 194,748
					\$ -	\$ -
GF / INTEREST AND SINKING	\$ 448,539	\$ 528,225	\$ 529,767	\$ 804,579	\$ 807,143	\$ 2,564
					\$ -	\$ -
UTILITY FUND EXPENSES						
500 Non-Departmental	\$ 1,675,123	\$ 2,035,426	\$ 1,990,229	\$ 1,373,454	\$ 951,977	\$ (421,477)
502 City Manager (Utility Fund)	\$ 82,837	\$ 85,646	\$ 89,854	\$ 95,275	\$ 98,860	\$ 3,585
503 City Secretary (Utility Fund)	\$ 93,706	\$ 95,943	\$ 92,884	\$ 106,030	\$ 106,169	\$ 139
504 Utility Billing	\$ 117,261	\$ 121,220	\$ 122,988	\$ 139,039	\$ 138,498	\$ (542)
520 Water	\$ 1,558,902	\$ 1,529,867	\$ 1,515,377	\$ 1,644,795	\$ 1,600,895	\$ (43,899)
521 Waste Water	\$ 640,634	\$ 620,921	\$ 640,263	\$ 831,024	\$ 869,957	\$ 38,933
					\$ -	\$ -
UF - TOTAL EXPENDITURES	\$ 4,168,464	\$ 4,489,023	\$ 4,451,595	\$ 4,189,617	\$ 3,766,357	\$ (423,261)
					\$ -	\$ -
TOTAL GF/IS/UF EXPENSES	\$ 10,005,066	\$ 10,641,846	\$ 10,392,814	\$ 11,219,168	\$ 10,993,219	\$ (225,949)

RECAP OF ALL FUNDS

ACCT	DESCRIPTION	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-2015 BUDGET
GENERAL FUND						
10	Revenues	4,951,684	5,170,455	5,208,840	5,169,564	5,621,777
	Transfers	517,915	460,000	500,000	750,000	806,142
	Expenditures	5,388,063	5,624,598	5,411,452	6,224,972	6,419,720
	Current Net Surplus/(Deficit)	81,536	5,857	297,388	(305,408)	8,199
	Beginning Fund Balance (Designated) (See Note)		1,355,770	1,361,627	1,659,015	1,353,607
	Ending Fund Balance (Designated)(See Note)		1,361,627	1,659,015	1,353,607	1,361,806

NOTE - By Resolution 897, the City Council set a goal for the General Fund Undesignated Fund Balance to be 25 % of the prior year's audited General Fund expenditures. After achieving that goal, it has been the City's practise to transfer all remaining net surplus to the Utility Fund Capital Fund and to considere those funds as available for appropriation during the year. This same approach is proposed for the FY 2013-14 Operating Budget.

SALES TAX RESTRICTED FUND(S)

23 INGLESIDE DEVELOPMENT CORPORATION (IDC 4B)						
	Revenues	130,617	142,086	158,097	142,803	142,098
	Expenditures	76,318	72,846	65,964	97,451	136,353
	Current Net Surplus/(Deficit)	54,299	69,240	92,133	45,351	5,745
	Beginning Available Fund Balance	294,093	348,393	417,633	509,766	555,117
	Ending Available Fund Balance	348,393	417,633	509,766	555,117	560,863
28 STREET MAINTENANCE FUND						
	Revenues	130,358	142,720	157,761	142,374	141,669
	Expenditures	164,607	136,226	119,019	150,000	150,000
	Current Net Surplus/(Deficit)	(34,248)	6,494	38,743	(7,626)	(8,331)
	Beginning Available Fund Balance	62,168	27,920	34,415	73,157	65,531
	Ending Available Fund Balance	27,920	34,415	73,157	65,531	57,200

Note - in May 2011, the voters re-approved a 0.25% special sales tax which is dedicated to the maintenance of city streets. This tax will expire four years after adoption (9/30/2015) unless extended by the voters.

RECAP OF ALL FUNDS

ACCT	DESCRIPTION	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-2015 BUDGET
RESTRICTED FUND(S)						
21 HOTEL MOTEL FUND						
	Revenues	171,407	197,420	207,371	175,250	175,250
	Expenditures	101,875	100,000	115,000	121,400	121,400
	Current Net Surplus/(Deficit)	69,532	97,420	92,371	53,850	53,850
	Beginning Available Fund Balance	177,626	247,158	344,578	436,949	490,799
	Ending Available Fund Balance	247,158	344,578	436,949	490,799	544,649
27 SAFE ROUTES TO SCHOOL						
	Revenues	363	0	0	0	0
	Expenditures	366	0	0	0	0
	Current Net Surplus/(Deficit)	(3)	0	0	0	0
	Beginning Available Fund Balance	0	0	0		
	Ending Available Fund Balance	(3)	0	0		
31 INGLESIDE LRA - COI PORTION ONLY						
	Revenues	795,490	0	0	0	0
	Expenditures	795,490	0	0	0	0
	Current Net Surplus/(Deficit)	0	0	0	0	0
25 GENERAL FUND GRANTS						
	Revenues	172,653	115,214	0	1,510,000	0
	Expenditures	171,933	115,214	0	1,510,000	0
	Current Net Surplus/(Deficit)	720	0	0	0	0
	Beginning Available Fund Balance	0	0	0		
	Ending Available Fund Balance	720	0	0		
26 HOME GRANT						
	Revenues	35,717	407,440	435,706	800,000	400,000
	Expenditures	35,717	402,440	435,706	800,000	400,000

RECAP OF ALL FUNDS

ACCT	DESCRIPTION	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-2015 BUDGET
------	-------------	---------------------	---------------------	---------------------	---------------------	---------------------

Current Net Surplus/(Deficit)	0	5,000	0	0	0
Beginning Available Fund Balance	0	0	5,000	5,000	5,000
Ending Available Fund Balance	0	5,000	5,000	5,000	5,000
30 GENERAL FUND - CAPITAL FUND					
Transfers/Other Sources	351,712	489,273	904,005	0	0
Expenditures	351,712	483,497	909,781	0	0
Current Net Surplus/(Deficit)	0	5,776	(5,776)	0	0
Beginning Available Fund Balance	0	0	5,776	(0)	(0)
Ending Available Fund Balance	0	5,776	(0)	(0)	(0)

GENERAL FUND INTEREST & SINKING FUND

40 DEBT SERVICE FUND					
Revenues	471,501	498,354	535,364	818,579	829,288
Expenditures	448,539	528,225	529,767	804,579	807,143
Transfers In					
Current Net Surplus/(Deficit)	22,962	(29,871)	5,598	14,000	22,145
Beginning Available Fund Balance	30,782	53,744	23,873	29,471	43,471
Ending Available Fund Balance	53,744	23,873	29,471	43,471	65,616

UTILITY FUND

50 Revenues	4,006,092	4,195,514	4,045,018	3,694,196	3,739,214
Transfers	187,959	300,853	427,067	491,057	0
Expenditures	4,168,464	4,489,023	4,451,595	4,189,617	3,766,357
Current Net Surplus/(Deficit)	25,588	7,344	20,491	(4,365)	(27,143)
Beginning Fund Balance		1,355,770	1,361,627	1,382,118	1,377,753

RECAP OF ALL FUNDS

ACCT	DESCRIPTION	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-2015 BUDGET
------	-------------	---------------------	---------------------	---------------------	---------------------	---------------------

Ending Fund Balance		1,363,114	1,382,118	1,377,753	1,350,611
---------------------	--	-----------	-----------	-----------	-----------

Note - Given the City's past practises, the budget focuses on its cash revenues and expenses. In the future, the budget process will strive to include the impact of depreciation within its budgets.

UTILITY FUND - CAPITAL (WAS SRF BEFORE 200

51 Revenues	17,802	297,517	509,537	1,000,000	0
Transfers/Other Sources	700,000	1,132,676	816,699	0	0
Expenditures	150,191	499,574	436,372	2,400,000	0
Current Net Surplus/(Deficit)	567,611	930,618	889,863	(1,400,000)	0
Beginning Available Fund Balance	606,050	1,173,661	2,104,279	2,994,142	1,594,142
Ending Available Fund Balance	1,173,661	2,104,279	2,994,142	1,594,142	1,594,142

UTILITY FUND - IMPACT FEES

54 Revenues	22,352	56,451	54,692	18,250	18,250
Expenditures	0	19,000	0	0	0
Current Net Surplus/(Deficit)	22,352	37,451	54,692	18,250	18,250
Beginning Available Fund Balance	26,450	48,801	86,252	140,945	159,195
Ending Available Fund Balance	48,801	86,252	140,945	159,195	177,445

ASSET SEIZURES & FORFEITURE

60 Revenues	2	5,427	3	0	0
Expenditures	0	4,522	2	0	0
Current Net Surplus/(Deficit)	2	905	1	0	0
Beginning Available Fund Balance	268	270	1,174	1,176	1,176
Ending Available Fund Balance	270	1,174	1,176	1,176	1,176

RECAP OF ALL FUNDS

ACCT	DESCRIPTION	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-2015 BUDGET
------	-------------	---------------------	---------------------	---------------------	---------------------	---------------------

City Totals - Gross - All funds

Revenues	12,312,001	13,122,127	13,056,157	14,712,072	11,873,688
Expenditures	11,501,651	11,991,669	11,564,877	16,298,019	11,800,972
Current Net Surplus/(Deficit)	810,351	1,130,458	1,491,280	(1,585,947)	72,716